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In the Supreme Court of the United States

OCTOBER TERM, 1949.

No. 128

THE DILL MANUFACTURING COMPANY and HENRY A. VAN DYKE,
Petitioners,

vs.

J. W. SPEAKER CORPORATION,
Respondent.

PETITION FOR WRIT OF CERTIORARI
To the United States Court of Appeals for the Seventh Circuit and
BRIEF IN SUPPORT THEREOF.

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Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your Petitioners, The Dill Manufacturing Company and Henry A. Van Dyke respectfully pray for a Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit to review a Judgment of that Court entered January 25, 1950 (R. p. 404) and revised April 12, 1950. (R. p. 428.)

Petition for extension of time for filing application for Writ of Certiorari was allowed and extension granted "to and including June 17, 1950" by the Honorable Sherman Minton, Associate Justice of the Supreme Court of the United States. (R. p. 436.)

A certified transcript of the Record in the case, including the procedures in said Court of Appeals is furnished herewith in accordance with Rule 38 of the Rules of this Court.

The jurisdiction of this Honorable Court is based upon Title 28, Section 1254(1) of the United States Code.

SUMMARY STATEMENTS OF THE MATTER INVOLVED.

(1) This is a patent case involving the validity of Reissue Letters Patent No. 21,230 and No. 21,232 and Patent No. 2,272,965. Infringement of the claims in suit was admitted by Respondent subject to their validity and the absence of intervening rights. The latter question is not involved in this proceeding.

(2) The primary matter with respect to which Writ of Certiorari is sought relates to Rule 16 of the Federal Rules of Civil Procedure and involves the question as to whether the expression occurring in the Rule, "such order when entered controls the subsequent course of the action unless modified at the trial," relates itself to proceedings upon appeal of the case to the Court of Appeals, or whether the Court of Appeals may disregard the matters decided by an unmodified Pre-trial Order of the Trial Court.

(3) The second matter involved herein is closely identified with the foregoing and involves the question whether, when in a patent case the District Court enters a Pre-trial Order which sets forth the claims in issue of the patents sued upon, but in its Opinion and Findings makes no determination as to validity of the patents in suit with reference to the prior art which has been put in evidence, and where upon appeal the Court of Appeals bypasses the grounds upon which the Judgment of the District Court was based and elects to base its decision upon invalidity and non-invention in view of the prior art, the Court of Appeals is bound by the Pre-trial Order and should confine its Judgment with respect to invalidity in view of the prior art, to the claims in suit as set forth in the Pre-trial Order; or is the Court of Appeals at liberty to disregard the Pre-trial Order and in its Judgment declare all of the claims of the patent invalid.

(4) The third matter involved embraces the situation where a reissue patent containing in part claims bodily

transferred from the parent patent and also in part added claims or reissue claims, and where by Pre-trial Order only the added or reissue claims are stated as being in suit, and where the District Court finding there was lack of "inadvertence, accident or mistake" justifying the reissue of the parent patents erroneously (as a matter of law) finds the patents totally invalid and void, but makes no finding or Judgment as to invalidity predicated upon the prior art, and where upon appeal the Court of Appeals bypasses the grounds upon which the District Court based its Judgment that the reissue patents were invalid and void, and the Court of Appeals elects to base its Judgment upon invalidity and lack of invention in view of the prior art, but nevertheless affirms the Judgment of the District Court as to the reissue patents being totally invalid and void, is such action by the Court of Appeals proper and valid where by a Pre-trial Order entered by the District Court the claims in suit were specifically mentioned and the claims so mentioned did not include any of the claims occurring in the parent patent, which claims had been bodily transferred to the reissue patent from the parent patent, and related to combinations of elements not involved in the alleged infringing device.

THE PROCEEDINGS BELOW.

In the proceedings below, Petitioners brought suits in the United States District Court for the Eastern District of Wisconsin against the Respondent for infringement of Reissue Letters Patent 21,232 granted in the name of Henry A. Van Dyke, dated October 10, 1939, under which patent The Dill Manufacturing Company is the exclusive licensee; Reissue Letters Patent 21,230 granted in the name of John C. Crowley, dated October 10, 1939, of which patent The Dill Manufacturing Company is the owner by assignment; Letters Patent No. 2,272,965 granted in the name of John C. Crowley, dated February 10, 1942, of which patent The Dill Manufacturing Company is the owner by assignment. (R. pp. 2 and 18.)

The Respondent (Defendant) filed answers denying validity and infringement and counterclaims for declaratory judgment alleging in substance the invalidity and non-infringement of the patents upon which the suits were brought. (R. pp. 2 to 28.)

A Pre-trial Conference, shortly preceding the time of the actual trial of the suits, was held and a Pre-trial Order entered as a result thereof in which it was held *inter alia* (R. p. 28):

> (1) That the actions be consolidated for trial.
>
> (2) That the claims relied upon are claims 7 and 8 of Reissue Patent 21,232; claims 6 to 13 inclusive of Reissue Patent 21,230 and claims 2, 4, 8, 9, 14, 15 and 16 of U. S. Patent 2,272,965.

A Supplemental Order was issued directing that the Pre-trial Order before entered be amended by adding thereto (R. p. 29):

> "It was stipulated by the defendant that if the specified claims in the patent were found to be valid and if the defendant's claim of intervening rights was not sustained, then infringement is admitted."

Under date of March 4, 1949 the Judge of the District Court filed his Opinion (R. p. 302) in which it was stated *inter alia*:

> A. "Plaintiffs rely on claims 7 and 8 of Reissue 21,232 and on claims 6 to 13 inclusive of Reissue 21,230. At the pre-trial conference held less than two months before trial, plaintiffs announced they would rely on claims 2, 4, 8, 9, 14, 15 and 16 of Patent 2,272,965. However, prior to trial Dill filed disclaimers as to claims 14 and 15. (R. p. 302.)
>
> B. "The defendant presents several defenses (R. p. 303):
>
> "(1) That the claims in issue are invalid in view of patents set up as anticipatory and are also invalid in view of the state of the art.

"(2) That the reissue patents are invalid because their reissue was not necessitated by inadvertence, accident or mistake in the prosecution of the original patents.

"(3) That the Defendant has an intervening right as to the reissue patents.

"(4) That the alleged invention described and claimed in Crowley Patent 2,272,965 was in public use and on sale * * * more than two years before the date of the application for said patent.

C. "I am of the opinion that the Defendant has met the burden of proof resting upon it and has established that Exhibit I was on sale and in public use more than two years prior to the date of the filing of the application for Crowley Patent 2,272,965. It follows that Crowley Patent 2,272,965 is invalid. (R. p. 304.)

D. "Obviously the claims in the reissue patents were deliberately applied for to bring within the scope of the patent a structure plaintiffs knew the defendant was manufacturing * * * They were not applied for to overcome invalidity or inoperativeness in the original patents because of inadvertence, accident or mistake in the prosecution thereof. In my opinion, reissue patents 21,230 and 21,232 are invalid. (R. p. 307.)

E. "I conclude that, assuming the validity of the reissue patents, the defendant by reason of its intervening rights would have the privilege without limitation to use, sell or otherwise dispose of any devices manufactured by it prior to October 10, 1939, the date of the reissue patent, but that such privilege would not extend to devices manufactured or acquired after that date." (R. p. 309.)

In its Findings of Fact (R. pp. 309 *et seq.*) the Judge of the Lower Court in substance found *inter alia*:

A. Civil Action No. 4478 was brought by The Dill Manufacturing Company for the infringement of claims 6, 7, 8, 9, 10, 11, 12 and 13 of reissue patent

21,230, and claims 2, 4, 8, 9, 14, 15 and 16 of patent 2,272,965—and Civil Action No. 4508 was brought by The Dill Manufacturing Company and Henry A. Van Dyke for infringement of claims 7 and 8 of reissue patent 21,232. (R. pp. 309-310.)

B. The Civil Actions 4478 and 4508 were consolidated for trial. (R. p. 310.)

C. Neither of the parent patents of the two reissue patents in suit as issued contained any claims which were readable upon either early Exhibits (CC-CC′) or contemporary Exhibits (AA-AA′) patch devices made by defendant.

Each of the parent patents contained certain claims which called for a patch unit comprising two members, one of which had to be brought into engagement with the other to complete an electrical circuit through the heating element. The remaining claims of each parent patent specifically recited "fusible timing means." (R. p. 312.)

The District Court entered the following Conclusions of Law (R. p. 313):

A. Patent No. 2,272,965 is invalid by reason of Defendant's prior public use and sale of the Exhibit I clamp device more than two years before the application of said patent was filed.

B. Both of the reissue patents in suit are invalid because their reissue was not necessitated by error arising through inadvertence, accident or mistake.

The Court entered Judgment under date of April 23, 1949 (R. p. 314) in which it was decreed:

A. That the patents in suit, namely Reissue Patents 21,230 and 21,232 and Patent No. 2,272,965 are invalid and void.

Other portions of the Judgment are not important with respect to matters now being raised before this Court.

Particular attention is called to the fact that neither the Opinion, the Findings of Fact, Conclusions of Law or Judgment of the District Court contained any reference

whatsoever to any discussion, consideration or finding with respect to the applicability of any prior art patents as anticipating the claims in suit of the patents in suit, or lack of invention with respect to prior art patents. We deem that this should be particularly borne in mind in view of the subsequent proceedings in this case before the Court of Appeals.

Under date of January 25, 1950 the United States Court of Appeals for the Seventh Circuit entered its Opinion and Judgment (R. p. 404).

The Court of Appeals for the Seventh Circuit in its Opinion above noted states:

> "In Van Dyke Reissue 21,232 the claims upon which Plaintiffs relied are 7 and 8. * * * In Crowley Reissue No. 21,230, the claims in suit are 6, 7, 8, 9, 10, 11, 12 and 13. * * * In Crowley Patent No. 2,272,965, Plaintiffs relied upon claims 8, 9 and 16." (R. p. 405.)

The Opinion then considers the disclosures of the patents in suit and also the disclosures in certain prior art patents. As a summation, the following paragraph occurs:

> "We think these prior patents disclose patented conceptions of rubber vulcanizers for repairing inner tubes in rubber tires teaching everything that Crowley and Van Dyke accomplished later. If they do not completely anticipate the patents in suit, they disclose at least a state of the art such that both Van Dyke and Crowley, confronted with the same and learning what it taught, needed only to exercise the art of the skilled mechanic and electrician in improving the earlier patented devices in such a manner as to cover the teaching of the *claims in suit.*" (Emphasis added.) (R. p. 409.)

The Opinion of the Court of Appeals then states:

> "Other defenses were asserted and considered by Judge Duffy in the trial below, but in view of our conclusion that the patents are invalid because they are anticipated and because they represent nothing more than the exercise of ordinary mechanical skill, it is unnecessary to consider them." (R. p. 409.)

The concluding paragraph of the Opinion of the Court of Appeals reads as follows:

> "The judgment finding the *claims in suit* invalid and dismissing the complaints is affirmed." (Emphasis added.) (R. p. 410.)

Petition for Rehearing was made to the Court of Appeals (R. p. 412), which Petition for Rehearing was denied under date of February 17, 1950 (R. p. 422).

The Mandate of the Court of Appeals came down to the District Court under date of February 27, 1950 and stated that the Judgment of the Lower Court was "affirmed with costs" (R. pp. 410 and 411). Since the Judgment of the District Court decreed the patents in suit, and particularly the reissue patents in which we are the most interested, as being totally invalid and void, it was obvious that the Opinion and Judgment of the Court of Appeals which had found the claims in suit invalid did not square up with the Judgment of the District Court which had found total invalidity.

Thereupon your Petitioners (Plaintiffs-Appellants) on March 18, 1950 filed a Motion with the Court of Appeals to recall its Mandate and reform the same so that the Mandate would conform to the Court's finding, to-wit, that the *claims in suit* were invalid (R. p. 423).

The Court of Appeals in response to the foregoing Motion issued on April 12, 1950 an Order or Judgment, whichever it might be called, denying the Motion but changing the last paragraph of its Opinion and Judgment so that it read (R. p. 428):

> "The Judgment finding the patents in suit invalid and dismissing the complaints is affirmed,"

whereas the original reading was

> "The Judgment finding the claims in suit invalid and dismissing the complaints is affirmed."

Your Petitioners then filed on April 18, 1950 a Petition with the Court of Appeals for the reconsideration of its

last Order as above noted and pointed out that the Record showed that as a result of a Pre-trial Conference called for and conducted by the District Judge, there was issued a Pre-trial Order which specified that the suits were consolidated for trial, and further specified the claims which were in suit, namely, claims 7 and 8 of Reissue No. 21,232, claims 6 to 13 inclusive of Reissue No. 21,230 and claims 2, 4, 8, 9, 14, 15 and 16 of Patent No. 2,272,965 (R. p. 429).

The Petition above referred to also pointed out places in the Record where it was manifested that the only claims under consideration were those set forth in the Pre-trial Order. This Petition was denied April 24, 1950 (R. p. 433).

QUESTIONS PRESENTED.

(1) Can a United States Court of Appeals disregard the unmodified Pre-trial Order entered by the District Court which stated that the claims in suit were claims 7 and 8 of Reissue No. 21,232; claims 6 to 13 inclusive of Reissue No. 21,230; and claims 2, 4, 8, 9, 14, 15 and 16 of Patent No. 2,272,965?

(2) Can a United States Court of Appeals disregard the unmodified Pre-trial Order entered by the District Court which set forth the claims in suit and give Judgment that all the claims of the patents in suit are invalid in view of the prior art, particularly where the claims which were not involved in the suit and which were not mentioned in the Pre-trial Order relate to structures which are quite different from those structures defined by the claims in suit?

(3) Can a United States Court of Appeals properly and unqualifiedly affirm the Judgment of the District Court as to total invalidity of the reissue patents where the Judgment of the District Court was based upon a finding of the absence of inadvertence, accident or mistake in connection with the reissue of the patents in question, which Judgment is in conflict with the decision of the Supreme Court in the case of *Gage v. Herring,* 107 U. S. 640-646, which holds that

claims transferred or carried over from a parent patent to the reissue patent are not *ipso facto* invalid because the new or reissue claims may be invalid, and where the Court of Appeals bases its decision upon the ground of invalidity in view of the prior art and where the claims in suit as specified in the Pre-trial Order included only the new claims presented in the reissue patent and none of the claims which were carried over into the reissue patent from the parent patent and which latter claims were not mentioned in the Pre-trial Order?

REASONS RELIED UPON FOR ALLOWANCE OF THE WRIT.

(1) This Petition presents an important matter of widespread and general interest and of great moment to the efficient, expeditious and orderly conduct of litigation before the Federal Courts which should be passed on by this Honorable Court, namely, does an unmodified Pre-trial Order, expressing the agreement of the parties as to the issues to be determined and entered into in good faith at a Pre-trial Conference under the expressed provisions and in accordance with the purpose and spirit of Rule 16 of the Federal Rules of Civil Procedure as promulgated by this Honorable Court, function to control "the subsequent course of the action unless modified at the trial to prevent manifest injustice," or may such unmodified Pre-trial Order be ignored subsequently by the Court of Appeals and issues decided by the latter which were excluded by agreement at the Pre-trial Conference and were eliminated from the action by the Pre-trial Order?

(2) This Honorable Court in order to implement and make effective the intent and purpose of the pre-trial procedures advocated by it in promulgating the Federal Rules of Civil Procedure should determine the binding subsequent effect of unmodified Pre-trial Orders solemnly expressing the results of Pre-trial Conferences conducted under the provisions of Rule 16 of said Federal Rules of Civil Procedure as otherwise litigants will necessarily avoid

entering agreements as to issues and other matters at Pre-trial Conferences if subsequent reliance cannot be placed thereon.

(3) The Court of Appeals for the Seventh Circuit by deciding issues excluded by the unmodified Pre-trial Order has proceeded contrary to the expressed provisions of the Federal Rules of Civil Procedure promulgated by this Court and has acted in a way destructive of the integrity of Rule 16 thereof.

(4) The Court of Appeals for the Seventh Circuit in holding that all of the claims of the patents are invalid, as anticipated by or involving no invention over the prior art patents, instead of confining its holding to claims 7 and 8 of reissue patent 21,232, claims 6 to 13 inclusive of reissue patent 21,230, and claims 2, 4, 8, 9, 14, 15 and 16 of patent 2,272,965, which claims were by a Pre-trial Order declared to be the claims in suit, has proceeded in utter disregard of Rule 16 of the Federal Rules of Civil Procedure as promulgated by this Honorable Court and which have the effect of law, since the Rule referred to clearly states with respect to Pre-trial Orders:

> "And such order when entered controls the subsequent course of the action unless modified at the trial to prevent manifest injustice."

No modification of the Pre-trial Order was made, hence the Court of Appeals should have confined its Judgment to the *claims in suit* as set forth in the Pre-trial Order of the District Court.

(5) The Court of Appeals for the Seventh Circuit in unqualifiedly affirming the Judgment of the District Court holding total invalidity with respect to the reissue patents involved has in effect approved the error of law of the Lower Court which found total invalidity of the reissue patents on the ground of lack of inadvertence, accident or mistake in the reissue of said patents, thus including claims not in suit which were copied from the parent patent into

the reissue patents and thus has followed a course contrary to the decision of the Supreme Court in the case of *Gage v. Herring,* 107 U. S. 640-646, 2 Sup. Ct. 819, and in conflict with decisions of the Court of Appeals for the Second Circuit in the cases of *Rawson and Morrison Mfg. Company v. C. W. Hunt Co.,* 147 Fed. 239 and *Foxboro Company v. Taylor Instrument Companies,* 157 Fed. (2d) 226, in which cases it was held that the claim or claims bodily carried over into a reissue patent from the original patent are not *ipso facto* invalid because of the invalidity of the added claim or claims of the reissue patents.

Wherefore, your Petitioners respectfully pray that a Writ of Certiorari be issued under the seal of this Court, directed to the United States Circuit Court of Appeals for the Seventh Circuit, commanding said Court to certify and send to this Court, on a day certain to be therein named, a full and complete transcript of the Record and all proceedings of the Circuit Court of Appeals for the Seventh Circuit had in this cause, to the end that the cause may be reviewed and determined by this Court; that the Judgment of the Circuit Court of Appeals may be reviewed by this Honorable Court; and that your Petitioners may have such relief as to this Honorable Court may seem meet and just.

Respectfully submitted,

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J. W. SPEAKER CORPORATION,
Respondent.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

The Opinion of the United States District Court for the Eastern District of Wisconsin appears at page 302 of the Record and is reported at 83 Fed. Supp. p. 21. The Opinion of the Court of Appeals for the Seventh Circuit appears at page 404 of the Record and at this writing has not been reported.

JURISDICTION.

The jurisdiction of this Honorable Court is invoked under Title 28, U. S. Code, Section 1254(1), reading:

"Cases in the Courts of Appeal may be reviewed by the Supreme Court by the following methods:

(1) By a Writ of Certiorari granted upon the Petition of any party to any civil or criminal case before or after rendition of judgment or decree."

The date of the Judgment to be reviewed is January 25, 1950 (R. p. 404), as modified by Order dated April 12, 1950. (R. p. 428.)

Petition for Rehearing was denied February 17, 1950. (R. p. 422.)

Petition for extension of time for filing Petition for Writ of Certiorari was allowed, and extension granted "to and including June 17, 1950" by the Honorable Sherman Minton, Associate Justice of the Supreme Court of the United States. (R. p. 436.)

The Judgment was rendered in a Civil Action brought under the Patent Statutes to determine the validity and infringement of Letters Patent of the United States.

The essential facts of the case appearing from the record are stated in the accompanying Petition.

SPECIFICATION OF ERRORS.

The errors which your Petitioners will urge if this Petition for Writ of Certiorari is granted are that the Court of Appeals for the Seventh Circuit erred:

(1) In disregarding certain portions of a Pre-trial Order entered by the District Court in accordance with Rule 16 of the Federal Rules of Civil Procedure, and particularly with reference to that part of the Rule which states:

"Such order when entered controls the subsequent course of action unless modified at the trial to prevent manifest injustice."

(2) In holding invalid all of the claims of the patents in suit and thereby disregarding the Pre-trial Order entertained in the instant suits which specified the claims in suit, the claims so specified being less than all of the claims of the patents.

(3) In holding invalid in their entirety the patents in suit where the reissue patents involved contained claims which were carried over bodily from the parent patent, and which claims were not in suit and in fact related to structures admittedly not responded to by the alleged infringing device.

(4) In refusing to recall and reform its Mandate stating an affirmance of the Judgment of the District

Court which held the reissue patents invalid because of the lack of inadvertence, accident or mistake in connection with the reissue of the parent patents, although the Opinion and Judgment of the Court of Appeals as originally given held the *claims in suit* invalid upon the prior art, and when the lack of conformity between the Judgment of the Court of Appeals and the Mandate was called to the Court's attention, the Court of Appeals then revised its Opinion and Judgment, holding the patents in suit invalid upon the prior art, disregarding the Pre-trial Order of the District Court which specified the claims in suit, which claims in suit were less than all of the claims of the patent.

(5) In affirming the Judgment of the District Court finding total invalidity of the reissue patents in suit, which Judgment of the District Court was based on a finding of lack of "inadvertence, accident or mistake" in connection with the reissue of the parent patents and which Judgment was based on an error of law to which the attention of the Court of Appeals was called but which was disregarded by the latter Court, and thus the Court of Appeals has perpetuated the error of law of the District Court even though the Court of Appeals based its Opinion and Judgment upon lack of invention in view of the prior art and not upon the grounds adopted by the District Court.

(6) In holding all the claims of the patents in suit invalid upon the prior art, even though the District Court in its Opinion had clearly stated that the defense of invalidity based upon the prior art patents related to the "claims in issue," which had previously been specified in a Pre-trial Order of the District Court.

SUMMARY OF ARGUMENT.

The Federal Rules of Civil Procedure as promulgated by the Supreme Court and now incorporated into Title 28 of the U. S. Code, have the full effect of law and are binding not only upon litigants, but upon District Courts and Courts of Appeal as well.

Rule 16 of the Rules of Civil Procedure provides for a pre-trial conference called by the Judge of the District Court before whom a case is pending.

The Rule then provides that the Court shall make an Order which recites the action taken at the conference, etc. and then provides *inter alia*:

> "And such order when entered controls the subsequent course of action unless modified at the trial to prevent manifest injustice."

In the instant case a Pre-trial Order was entered (R. p. 28), was not modified at the trial, and contained *inter alia* two important determinations:

> (1) It set forth the claims in suit of each of the patents, which in each instance were less than the total number of claims.
>
> (2) It stated that the defendant admitted infringement of the claims in suit if the patents were valid and if the defendant had not secured an intervening right.

Referring particularly to the two reissue patents which were involved in the instant suits, there were certain claims in each reissue patent which had been transferred bodily from the parent patent and, in each instance, certain new claims were added by the reissue of the respective patents. The claims in suit as specified in the Pre-trial Order were claims which we have specified as new claims added by reissue.

The District Court held that the reissue patents, as to all of their claims, were invalid and void on the ground

that the reissue patents were not applied for to overcome invalidity or inoperativeness in the original patents because of "inadvertence, accident or mistake," but the District Court in its Opinion, while mentioning one of the defenses that had been interposed, to wit, that the claims in issue are invalid in view of the patents set up as anticipatory and are also invalid in view of the state of the art, did not in its Opinion discuss this defense or make any finding or judgment with respect thereto.

The appeals in the instant cases to the Court of Appeals for the Seventh Circuit were naturally based upon your Petitioners' claim of error by the District Court in holding invalidity on the ground of lack of "inadvertence, accident or mistake," and particularly pointing out that the District Court had erred in declaring the reissue patents totally invalid, which holding included those claims which had been bodily carried over from the parent patents to the reissue patents and which last mentioned claims were not in suit, citing as our authority therefor the decision of this Honorable Court in the case of *Gage v. Herring*, 107 U. S. 640-646, 2 Sup. Ct. 819. The District Court should have confined its finding of invalidity to the claims in issue, that is, the claims added by reissue, and should not have included therein the claims not in suit and transferred from the parent patents to the reissues.

The Court of Appeals gave no consideration in its Opinion to the matters forming the basis of the decision of the District Court, but elected to base its Opinion and Judgment upon invalidity and lack of invention in view of the prior art patents which had been offered in evidence at the trial. This was done although the District Court gave no consideration or judgment concerning that matter.

The Court of Appeals in its original Opinion and Judgment did confine its holding of invalidity and lack of invention over the prior art, to the claims in suit, that is the claims mentioned in the Pre-trial Order.

Subsequently, the Court of Appeals changed its Opinion and Judgment to include all of the claims of the patents in suit, holding the patents in suit invalid in their entirety in view of the prior art.

It is our contention that this was error on the part of the Court of Appeals in that its Opinion and Judgment should have been confined to the "claims in suit" as specified in the Pre-trial Order.

In other words, the Pre-trial Order, as to the matters set forth therein, was binding upon the Court of Appeals and could not properly be disregarded.

QUESTIONS INVOLVED.

1. Can the Circuit Court of Appeals disregard the Pre-trial Order of the Lower Court which set forth the claims in suit and give judgment that all the claims of the patent are invalid in view of prior art, particularly where the claims that were not involved in the suit and were not mentioned in the Pre-trial Order relate to structures which are quite distinct from those structures defined by the claims in suit.

2. Can the Court of Appeals properly and unqualifiedly affirm the Judgment of the Lower Court as to total invalidity of the patents where the Judgment of the Lower Court was based upon lack of inadvertence, accident or mistake, in connection with the reissue of the patents in question, which Judgment is in conflict with the decision of the Supreme Court in the case of *Gage v. Herring,* 107 U. S. 640-646, and where the Court of Appeals bases its decision upon the ground of invalidity in view of the prior art, and where the claims in suit were less than all of the claims of the patent and the claims not in suit were original claims carried over from the parent patent to the reissue patent.

ARGUMENT.

Before proceeding directly to the matter of argument of the matters involved in this case, it is deemed advisable to here set forth as a sort of background for the argument certain matters, all of which are matters of record in this case, which it is believed will illuminate the points of argument which will be presented.

Three patents are involved in the present litigation as follows: Reissue Patent 21,230, Reissue Patent 21,232 and original Patent No. 2,272,965. (R. pp. 342, 351, 332.)

In presenting our argument, we shall more particularly consider Reissue Patents 21,230 and 21,232 simply as a matter of convenience, although the point which is being presented to this Court, to wit, whether a Court of Appeals can pass over and disregard the claims stated to be in suit in a duly recorded Pre-trial Order, will apply also in connection with Patent 2,272,965 as well.

Reissue Patent 21,230 (R. p. 342) contains fourteen claims. Claims 1 to 5 inclusive of this patent are claims which occurred in the parent patent and which were bodily carried over and inserted in Reissue Patent 21,230.

Reissue Patent 21,232 (R. p. 351) contains nine claims. Claims 1 to 6 inclusive of this patent appeared in the parent patent and were bodily carried over and included in the Reissue Patent.

Claims 1 to 5 inclusive of Reissue 21,230 and claims 1 to 6 inclusive of Reissue 21,232 were not involved in the instant suit. Also, they were not included or mentioned in the Pre-trial Order of the District Court which clearly stated what claims were in issue. (R. p. 28.)

There was a reason why these claims were not included in the instant litigation, which is because the claims in question were not infringed by the structures manufactured and sold by the Respondent (Defendant).

This fact was recognized by the District Judge, who in his Opinion stated the following (R. p. 305):

"* * * it is apparent that the original claims of Van Dyke Patent 2,075,468 did not read upon the Speaker Unit G-G', CC-CC', or even the contemporary AA-AA'. However, the Van Dyke Patent as reissued contains claims which do read upon the Speaker device.

As originally issued the parent Crowley Patent 2,075,705 contains seven claims, of which Nos. 1, 3, 5 and 7, while directed to the general organization of the vulcanizing unit, were specific as to a unit comprising two members, one of which had to be brought into engagement with the other to complete the electrical circuit through the resistance wire. The other claims of the patent related to fusible timing means. It is therefore again apparent that none of these original claims in Crowley Patent 2,075,705 were readable upon the Speaker device. However, the Crowley Patent as reissued does contain claims which read upon the accused device."

All of the claims of the respective patents which are in issue in the instant suit, which claims are set forth in the Pre-trial Order of the District Court, were claims which were what might be called reissue claims in that they were for the first time introduced into the reissue patents.

The District Court in its Opinion sums up the defenses advanced by the Defendant (referring to the two reissue patents) as follows (R. p. 303):

"(1) that the *claims in issue* are invalid in view of patents set up as anticipatory, and are also invalid in view of the state of the art; (emphasis added.)

(2) that the reissue patents are invalid because their reissue was not necessitated by inadvertence, mistake or accident in the prosecution of the original patents."

We particularly call attention to the fact that the Judge of the District Court refers to "the claims in issue," which was entirely consonant with statements made in an earlier part of the Opinion of the District Court and in accordance with the Pre-trial Order of the District Court to which reference has before been made.

The District Court in its Opinion (R. p. 303) has no discussion or even a reference to the prior art patents, much less any application of the prior art patents from the viewpoint of invalidity or lack of invention. In other words, the Judge of the District Court entirely passed up any decision or determination respecting invalidity or non-invention of any claims of the reissue patents in suit because of the prior art.

With respect to the Reissue Patents 21,230 and 21,232, the District Court did decide that the reissue patents were invalid in that they were not applied for to overcome invalidity or inoperativeness in the original patents because of inadvertence, accident or mistake (R. p. 307). This latter conclusion was stated in the Conclusions of Law adopted by the District Court (R. p. 303) and was reflected in the "Judgment" of the District Court (R. p. 314).

We call attention to the fact that the Judgment of the District Court (R. p. 314) decreed that the reissue patents "are invalid and void," clearly reflecting that the patents were totally invalid and void. In so holding the Judge of the District Court was evidently of the opinion that if the Court decided that the reissue patents were improperly granted because of lack of "inadvertence, accident or mistake," the patents so reissued became totally invalid.

This was a mistake of law on the part of the Judge of the District Court.

Claims of a reissue patent which are bodily carried over from the parent patent to the reissue patent are not *ipso facto* invalid, even though the new claims which had been introduced into the reissue are held to be invalid because of the absence of inadvertence, accident or mistake, new matter, or laches in connection with the reissue of the patents involved.

This proposition has heretofore been decided by the Supreme Court in the case of *Gage v. Herring*, 107 U. S. 640-646, 2 Sup. Ct. 819 in which case the Court, referring to

the claim which had been copied into the reissue patent from the original patent, stated:

> "The invalidity of the new claim in the reissue does not, indeed, impair the validity of the original claim which is repeated and separately stated in the reissue patent."

The Circuit Court of Appeals for the Second Circuit in the case of *Rawson and Morrison Mfg. Company v. C. W. Hunt Company,* 147 Fed. 239 (see page 240) stated:

> "We are of the opinion that the validity of the claims in the reissue which were identical with those in the original patent are not affected thereby."

In this decision the Circuit Court of Appeals for the Second Circuit referred to the case of *Gage v. Herring,* 107 U. S. 640-646.

In a relatively recent case, the Court of Appeals for the Second Circuit in *Foxboro Co. v. Taylor Instrument Companies,* 157 Fed. (2d) 226, see page 228, stated through Judge Learned Hand with respect to claims in a reissue patent which had been carried over from the parent patent into the reissue patent as follows:

> "As to these we need not consider whether Mason showed adequate excuse for any reissue whatever, because, even though he did not, the surrender of the original patent, resulting from the acceptance of the reissue, did not invalidate any claims which he carried over into the reissue."

In the case of *Cleveland Trust Company, et al. v. Errold B. Thomas, et al.,* 1 Fed. Supp. 917 (see page 920) the District Court of Massachusetts stated:

> "It is settled law that the invalidity of a new claim in the reissue does not impair the validity of original claims repeated in the reissue patent."

In the case of *Radio Corporation of America, et al. v. Majestic Distributors,* D. C. Conn. 6 Fed. Supp. 87 (see page 90) the District Court of Connecticut stated:

"Even if the reissue were invalid as to the added claims 21 to 41 inclusive, this would not affect the original claims 1 to 20 inclusive."

In a recent case the U. S. District Court for the District of Connecticut in the case of *Rothholz, et al. v. Kreger,* 89 Fed. Supp. 231 (see page 233) had this matter under consideration in a case wherein the court held that there was laches in connection with the filing of the application for a reissue patent and therefore held the reissue was unjustified.

However, there were certain claims which were bodily carried over from the parent patent to the reissue patent, and with respect to these claims the Court said:

"The defendant urges that the complaint be dismissed, thus invalidating the original claims which were carried over into the reissue, as well as those added by the reissue. This contention is overruled, see Foxboro v. Taylor Instrument Companies, 2 Cir., 157 Fed. (2d) 226, which to this point cited with approval my decision in Schenk v. United Aircraft Corp., D. C. 43 Fed. Supp. 679, 686."

Bearing in mind that claims 1 to 5 of Reissue 21,230 and claims 1 to 6 of Reissue 21,232 were claims originally appearing in the parent patents that were reissued, and further that the claims just mentioned were not *in suit,* the District Court was clearly in error in holding total invalidity of Reissue Patents 21,230 and 21,232.

Even if the District Court were justified (which we do not admit) in finding that the claims *in issue* of the reissue patents, all of which were claims added by reissue, were invalid because of the absence of inadvertence, accident or mistake in connection with the reissue of these patents, it should not have held the patents totally invalid.

This is important to note because the error of law of the District Court has been perpetuated in the final decision of the Court of Appeals for the Seventh Circuit in declaring the patents totally invalid in view of the prior art.

This matter of the error of law of the District Court was called to the attention of the Court of Appeals in your Petitioners' "Statement of Points" which formed the basis of the Appeal (R. p. 319, Par. 15) and also was pointed out in the Petitioners' (Appellants') brief before the same Court, but this matter was seemingly disregarded by the Court of Appeals.

The error on the part of the Court of Appeals is made more manifest and pronounced because of the fact that the Court of Appeals in its decision turned its back upon the conclusions of fact and law which resulted in the Judgment of the District Court, and based its decision upon lack of invention and non-patentability in view of prior art patents, which subject matter was not discussed in the Opinion of the District Court and no pronouncement of law with respect to the foregoing subject matter was made by the Lower Court.

The Court of Appeals stepped out in virgin territory when it considered the matter of the prior art and its effect upon the validity and patentability with respect to the inventions in issue, particularly with respect to the reissue patents, and clearly it should have been guided in its consideration by those portions of the Record which had to do with the matter of prior art and its applicability to the claims in suit. Such consideration among other things should have been the Pre-trial Order of the District Court (R. p. 28) and at least that portion of the Opinion of the District Court which reads:

"The Defendant presents several defenses:

(1) that the *claims in issue* are invalid in view of patents set up as anticipatory and also invalid in view of the state of the art." (R. p. 303) (Emphasis added.)

This was particularly true in view of the fact that in its Opinion the District Court sets forth the claims in issue, to wit, claims 7 and 8 of Reissue 21,232, claims 6 to 13 in-

clusive of Reissue 21,230, and claims 2, 4, 8, 9, 14, 15 and 16 of Patent No. 2,272,965. (Claims 14 and 15 were disclaimed.)

The Opinion and Judgment of the Court of Appeals (R. p. 404) before it was modified followed precisely along these lines. The Court stated (R. p. 409) with respect to the prior art patents:

> "If they do not completely anticipate the patents in suit, they disclose a state of the art such that both Van Dyke and Crowley, confronted with the same and learning what it taught, needed only to exercise the art of the skilled mechanic and electrician in improving the earlier patented devices in such a manner as to cover the teaching of the *claims in suit.*" (Emphasis added.)

In the last paragraph the Court stated:

> "The judgment finding the claims in suit invalid and dismissing the complaints is affirmed."

Certainly the Mandate which was sent to the District Court should have directed that a Judgment be entered in conformity with the Opinion and Judgment of the Court of Appeals.

This, however, was not what the Mandate of the Court of Appeals directed. (R. pp. 410 and 411.) The Mandate simply stated "Judgment affirmed."

Since the Judgment of the Lower Court (R. p. 314) recited that the reissue patents are "invalid and void" (which clearly reflected total invalidity) and was based on an error of law, it becomes very apparent that unmodified affirmance of the Judgment of the Lower Court as stated in the Mandate was quite out of line with the Opinion and Judgment as found by the Court of Appeals.

Your Petitioners therefore petitioned the Court of Appeals to recall its Mandate and reform the Mandate to conform to the Opinion and Judgment of the Court of Appeals. (R. p. 423.)

In response to this Petition the Court of Appeals stated:

> "It appears clearly from the record that Defendant's counterclaim placed in issue all of the claims of the patents," (R. p. 428.)

and thereupon the Court of Appeals modified its Judgment so that the concluding paragraph thereof reads:

> "The Judgment finding the patents in suit invalid and dismissing the complaints is affirmed." (R. p. 428.)

The Court denied the Motion to Recall the Mandate. (R. p. 428.)

Your Petitioners filed a Petition with the Court of Appeals (R. p. 429) in which, among other things, we called the attention of the Court to the Pre-trial Conference and the Pre-trial Order of the Court following such conference (R. p. 28) in which the claims in issue were clearly set forth. However, the Court of Appeals denied our Petition without comment. (R. p. 433.)

It is therefore your Petitioner's contention that the Court of Appeals has decided the instant case upon grounds which are inconsistent with and in derrogation of the Rules of Civil Procedure, and particularly with respect to Rule 16 of the Rules of Civil Procedure. The Rules of Civil Procedure were promulgated by the Supreme Court and are as authoritative and binding as any other decision or pronouncement of this Honorable Court, and are binding upon the Courts as well as litigants who present their complaints to the Courts for adjudication.

It is important, particularly with respect to counsel who practice before the Federal Courts, to know whether a Pre-trial Order when made and entered and which according to Rule 16 of the Rules of Civil Procedure "controls the subsequent course of the action, unless modified at the trial to prevent manifest injustice," is binding upon a Court of Appeals, or whether such Court is not so bound.

The instant litigation when initiated consisted of two parts. One of the suits involved Reissue Patent 21,230 and Patent No. 2,272,965, which patents were owned by Plaintiff, The Dill Manufacturing Company; the other suit involved Reissue Patent 21,232, which patent was owned by Henry A. Van Dyke, the Dill Manufacturing Company being an exclusive licensee.

The complaints when filed charged infringement of the respective patents without specifying the claims that were alleged to be infringed. The Answers and Counterclaims filed by the Defendant below set up defenses broadly, without alleging any particular or specific claims against which its defenses were directed.

The Pre-trial Order (with the consent and agreement of the parties) stated *inter alia* (R. p. 28):

(1) The consolidation of the trial of "the above-entitled actions."

(2) The claims in issue were stated.

(3) In a Supplemental Order (R. p. 29) the Pre-Trial Order was amended to read—

"It was stipulated by the defendant that if the specified claims in the patents were found to be valid and if the defendant's claim of intervening rights was not sustained then infringement is admitted."

It is our contention that the effect of the Pre-trial Order of the Court was to limit the claims in suit to those specified in the Pre-trial Order. This was thoroughly understood by Respondent's (Defendant's) counsel as appears at page 40 of the Record, wherein Respondent's counsel objected to testimony being given which related to the commercial structure of the Plaintiff, because the witness's testimony included, in part, structures which did not respond to the claims in suit. Respondent's counsel objected in the following language:

"If the Court please, I will object to this testimony on the basis that the witness is now describing the structure of *claims not in suit*," etc. (Emphasis added.)

The District Court in its Opinion (R. p. 303) characterizes one of the defenses as being "that the claims in issue are invalid in view of patents set up as anticipatory and are also invalid in view of the state of the art."

Even before the Court of Appeals in the Respondent's (Appellee's) brief, Respondent's counsel in considering the defense of invalidity and lack of invention of the prior art patents which had been put in evidence, was considering this matter with respect to the *claims in suit* (see Appellee's brief attached as an appendix hereto). At page 27 of the brief Respondent's counsel stated:

> "If the claims in suit of the two reissue patents are boiled down to their essentials," etc.

It is therefore our contention that the Pre-trial Order of the District Court resulting from the Pre-trial Conference when entered "controls the subsequent course of the action," not only with respect to matters occurring in the District Court, but in the Court of Appeals as well.

By virtue of the Pre-trial Order at least the following matters were settled.

First, consolidation of the Actions; and second, specification of the claims in suit, and this was done as noted by the Court with the "consent of the parties."

The fact that the District Court in its "Judgment" held the reissue patents invalid and void, which as we have before pointed out was occasioned by a mistake of law and is contrary to a decision of the Supreme Court and is in conflict with the decision of the Court of Appeals for the Second Circuit, should not in the Court of Appeals mitigate against your Petitioners even though the Court of Appeals disposes of the case on entirely different grounds, namely, invalidity and lack of invention in view of the prior art, where the Pre-trial Order of the District Court recited the claims that were in suit.

CONCLUSION.

It is a matter of great importance to the legal profession, particularly those members who practice before the Federal Courts, to have a pronouncement from this Court as to whether or not a Pre-trial Order made in accordance with Rule 16 of the Rules of Civil Procedure "controls the subsequent course of action unless modified at the trial," is effective throughout the entire course of the "action" even through the Court of Appeals, or whether a Court of Appeals has the right to disregard the Pre-trial Order and proceed without reference thereto.

We would pray this Court to reverse the Judgment of the Court of Appeals for the Seventh Circuit with respect to its Judgment that all the claims of the patents in suit are invalid, and that their Judgment and holding as to invalidity of the claims of the patents in suit in view of the prior art should be limited to the claims declared to be in suit, and that the Mandate of the Court of Appeals to the District Court should be accordingly modified.

Respectfully submitted,

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